

An ethic for a financial centre open to the world

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The tradition of stewardship today poses a particular question for a financial centre that serves clients from all over the world: how can the welcoming of foreign wealth be reconciled with the requirement not to serve as a refuge for assets of illicit origin or assets concealed from the tax authorities? After the crisis of banking secrecy, the Federal Council formulated a strategy intended to ensure that the Swiss financial centre accepts only tax-compliant assets.¹ Institutions have adapted their procedures for opening accounts, verifying the origin of funds and monitoring business relationships.

This development coincides with a requirement that Calvinist morality had already formulated: wealth is legitimate only if it has been acquired honestly and is used responsibly. The manager who accepts funds whose origin he does not know, or whose origin he suspects to be dubious, puts at stake his own integrity and the reputation of the whole financial centre. The verification of the origin of wealth, vigilance towards politically exposed persons and the refusal of relationships incompatible with legal requirements express, in the language of the law, this long-standing demand.

The question arises with particular acuteness for clients from countries where the rule of law is fragile. For these clients, the Geneva financial centre can offer legitimate protection against arbitrary power, as it did for the Huguenot refugees. It can also become, if vigilance is lacking, the receptacle of fortunes born of corruption or the embezzlement of public funds. Part I, devoted to the relations between Geneva and Africa, will examine this dilemma through concrete cases and the mechanisms for the restitution of illicit assets.

1 Notes

1. Le Temps, “Les banquiers torpillent la stratégie de l’argent propre” (The bankers torpedo the clean-money strategy): the “Weissgeld-Strategie”, offered to the left as a counterpart for accepting the agreement signed with the United States in 2012, comprises two elements, the verification by banks of clients’ tax compliance and internal measures for detecting aggravated tax fraud (a predicate offence to money laundering within the meaning of the FATF) above CHF 600,000; draft put out for consultation by the Federal Council until June (2013), judged “mission impossible, even for a seasoned tax specialist” by the private bankers, who prefer the automatic exchange of information. ↩

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